



Options for Work Group Review

Retirement Work Group

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Options

- Defer to Board of Supervisors for any changes to the retirement systems
- Benefit changes
- Employee contribution rate increase
- Combination of benefit changes and employee contribution rate increase

Defer to Board of Supervisors

- The work group may opt to return to the Board of Supervisors with no recommendation for changes to the retirement systems.
- The Board of Supervisors would continue deliberation on changes to the systems at its next Personnel Committee meeting.
 - The most recent Board discussion included the presentation on potential plan change options included in the “10/2017 Retirement Study Presentation” tab of the work group binders.

Benefit Changes

- Options previously presented to the Board:
 - Rule of 90 (ERS)
 - Minimum Retirement Age 60 (ERS) and 50 (URS/PORS)
 - 5-Year Salary Averaging Period (All)
 - Eliminate Pre-Social Security Supplement (ERS/URS)
 - Limit Pre-Social Security Supplement to 5 (ERS) and 7 (URS) Years
 - Limit Application of Retiree COLA (All)
- Additional options:
 - Reduced benefit multiplier for new hires
 - Capped benefit level for new hires
 - Use of sick leave for retirement purposes for new hires
 - Increased employee contribution rate for new hires
 - Wage types included in benefit calculation for new hires
 - Optional buy-out of pre-Social Security supplement for existing employees
- Other ideas suggested by work group members

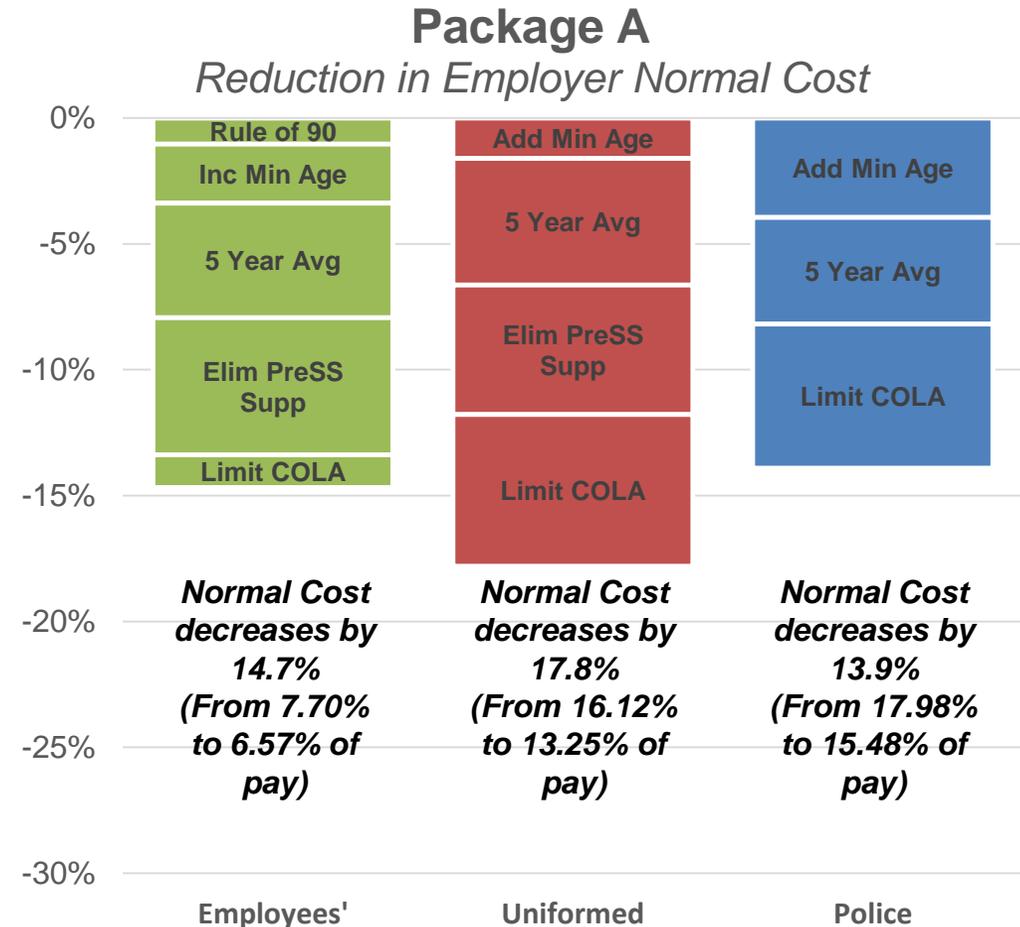
Potential Change for New Hires

October 2017 presentation

Package A

- Estimated General Fund savings of approximately \$11.8 million when fully implemented based on current payroll

- ✓ Rule of 90 (ERS)
- ✓ Minimum Retirement Age 60 (ERS) and 50 (URS/PORS)
- ✓ 5-Year Salary Averaging Period (All)
- ✓ Eliminate Pre-Social Security Supplement (ERS/URS)
- ✗ Limit Pre-Social Security Supplement to 5 (ERS) and 7 (URS) Years
- ✓ Limit Application of Retiree COLA (All)

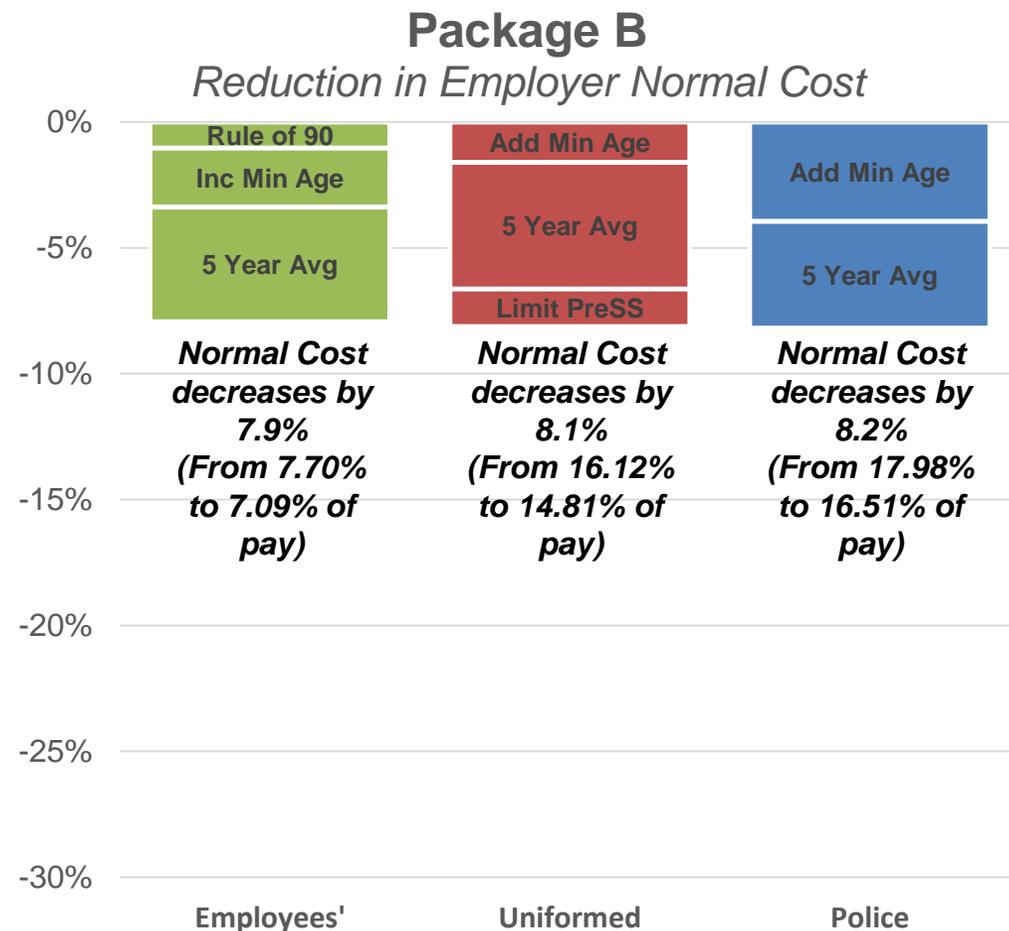


Potential Change for New Hires

Package B

- Estimated General Fund savings of approximately \$6.1 million when fully implemented based on current payroll

- ✓ Rule of 90 (ERS)
- ✓ Minimum Retirement Age 60 (ERS) and 50 (URS/PORS)
- ✓ 5-Year Salary Averaging Period (All)
- ✗ Eliminate Pre-Social Security Supplement (ERS/URS)
- ✓ Limit Pre-Social Security Supplement to 5 (ERS) and 7 (URS) Years
- ✗ Limit Application of Retiree COLA (All)



Employee Contribution Rate Increase

- Every 1% in the employee contribution rate is equivalent to approximately 0.9% in the employer contribution rate.¹
- An increase in the employee contribution rate could be targeted to achieve a certain level of savings in the employer normal cost, or could be based on a target percentage split of total normal cost between the employer and employee.

¹ The figures shown on this slide are staff estimates. An analysis by the actuary for the retirement systems would be required to determine the actual impact of any change in the employee contribution rate.

May 2016 LOBs
presentation (updated)

Retirement Contribution Rates

Components of Rates when 100% Funded

Employee and Employer Portions of Normal Cost and Expenses (Estimated)

